VBKK/Consultant

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February 27, 2007

Ms. Cheryl Kikuta **Utilities Administrator** Division of Consumer Advocacy Department of Commerce and Consumer Affairs 335 Merchant Street, Room 326 Honolulu, Hawaii 96813

Dear Ms. Kikuta:

Subject: Docket No. 05-0315 - HELCO Test Year 2006 Rate Case

HELCO's Information Requests to the CA

In accordance with Order No. 23153 issued on December 21, 2006, attached are HELCO's second set of information requests ("IR") including a compact disc containing the IRs.

HELCO will provide the Commission with copies of the complete set of HELCO IRs along with a compact disc after the last IR is submitted to the Consumer Advocate.

Sincerely,

Dean K. Matsuura

Director, Regulatory Affairs

Dan & Hetrush

Attachment

Sawvel & Associates, Inc. cc:

Utilitech, Inc.

Keahole Defense Coalition

Public Utilities Commission (w/o compact disc)

Docket No. 05-0315

Hawaii Electric Light Company, Inc.
Information Requests to
Division of Consumer Advocacy ("CA")

HELCO/CA-IR-201

Ref: CA-205, line 1.

The CA Reference on line 1 is "From Power Supply Dispatch Model". Please provide workpapers that have details of the \$233,300 of Propane Expenses.

HELCO/CA-IR-202

Ref: CA-210, line 11.

The Energy Cost Adjustment (ECA) Filing at Present Rates calculations include in the generation component, dispersed fuel cost of 1,604.67 cent per mbtu recovered through the ECAC. Is this correct? If yes, please explain.

HELCO/CA-IR-203

Ref: CA-215, lines 3 and 4, CA-WP-215 page 9.

In CA T-2, page 45, lines 10 through 20, the CA agrees that it is reasonable to include propane fuel costs in the ECAC as proposed by the Company. However, in CA-215, Energy Cost Adjustment (ECA) Filing Proposed Weighted Generation Efficiency Factor & DG Component calculations, the fuel costs of the Shipman Industrial and Hill Industrial do not include the cost of propane.

Please explain why the propane fuel costs are not included as part of Shipman Industrial and Hill Industrial fuel cost.

HELCO/CA-IR-204

<u>CA-215</u>, lines 12 through 20, CA-WP-215 page 9.

In determining the BTU Mix % in the Energy Cost Adjustment (ECA) Filing Proposed Weighted Generation Efficiency Factor & DG Component calculations, the total percent should be 100.00%. Please explain why the total percent is 99.98% instead of 100.00%.

HELCO/CA-IR-205

CA-215.

In CA T-2, page 45, lines 10 through 20, the CA agrees that it is reasonable to include propane fuel costs and a DG component in the ECAC as proposed by the Company. However, in CA-215, Energy Cost Adjustment (ECA) Filing Proposed Weighted Generation Efficiency Factor & DG Component calculations, the CA Reference is CA-WP-215, Determination of Percent of Generation Mix, Fuel Price by Plant (in ¢/mbtu) and Composite Cost of Generation (in ¢/mbtu) at <u>Present</u> Rates, which does not recover the propane costs. Is this correct? If yes, please explain.

HELCO/CA-IR-206

CA-WP-215, page 3, Column C.

At present rates, fuel oil costs and fuel related additive and inspection (Petrospect) costs are recovered through the ECAC;

however, the fuel expense shown in Column C does not include the fuel additive and inspection expenses. Please explain why the fuel additive and inspection expenses are not included in addition to fuel oil expense at present rates for recovery through the ECAC.

HELCO/CA-IR-207

CA-WP-211.

In CA T-2, page 22, lines 1 through 22, the CA explains the difference between the Consumer Advocate's production simulation and the Company's. Although the production simulations have been revised, the CA continued to use the Company's proposed Avoided Cost payment rates and Schedule Q payment rate in determining the purchase power fuel expense for PGV, Wailuku, Hawi Renewable Dev, Apollo (Kamoa) other Small Hydro (>100kw) and Other (<100 kw). Does the CA agree that the proposed Avoided Cost payment rates and Schedule Q payment rate need to be recalculated due to the change in the production simulations, and purchase power fuel expenses should reflect the recalculated avoided cost payment rates and Schedule Q payment rate? If no, please explain.